

HOUSE BILL REPORT

HB 2844

As Reported by House Committee On:
Labor & Workplace Standards
Appropriations

Title: An act relating to adding training on public works and prevailing wage requirements to responsible bidder criteria.

Brief Description: Adding training on public works and prevailing wage requirements to responsible bidder criteria.

Sponsors: Representatives Ormsby, Sells, Frame, Gregerson, Moscoso, Bergquist, Jinkins, Cody, Peterson, Robinson, Farrell, Riccelli, Sawyer, Pollet, Reykdal, Kilduff, Stanford, Walkinshaw, McBride and Santos.

Brief History:

Committee Activity:

Labor & Workplace Standards: 1/28/16, 2/1/16 [DP];

Appropriations: 2/8/16, 2/9/16 [DP].

Brief Summary of Bill

- Requires training in public works and prevailing wage to be a responsible bidder on public works.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: Do pass. Signed by 4 members: Representatives Sells, Chair; Gregerson, Vice Chair; Moeller and Ormsby.

Minority Report: Do not pass. Signed by 2 members: Representatives Manweller, Ranking Minority Member; McCabe.

Staff: Joan Elgee (786-7106).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Bidders for public works must meet responsibility criteria to be qualified for the contract. To be a responsible bidder, the bidder must:

- be a registered contractor;
- have a current state Unified Business Identifier number;
- have, if applicable, industrial insurance coverage for employees, an Employment Security Department number, and a state excise tax registration number;
- not be disqualified from bidding due to violations on a previous contract including: not being registered, not obtaining the state Unified Business Identifier number for a subcontractor, or prevailing wage violations; and
- if the project is subject to the apprenticeship training program, not be disqualified due to violations of that program.

Contractors must verify responsibility criteria for each first-tier subcontractor and subcontractors must verify the criteria for each of their subcontractors.

In general terms, public work is all work, construction, alteration, repair or improvement that is executed at the cost of the state or any other local public agency.

Prevailing wages must be paid on all public works. The prevailing wage is the hourly wage, usual benefits, and overtime paid in the largest city in each county to the majority of workers, laborers, or mechanics in the same trade or occupation.

Contractor training classes offered by the Department of Labor and Industries (Department) include training on prevailing wages.

Summary of Bill:

To qualify as a responsible bidder, contractors and subcontractors must attend training from the Department or a training program approved by the Department relating to the requirements associated with public works and prevailing wage.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill is an effort to be proactive and avoid problems at the back end by educating contractors at the front end. During prevailing wage investigations people say they "did not know." There will be lots of contractors bidding with all the new transportation projects and they need to know what is required. It piggybacks on House Bill 2501 from a

few years ago that stated that if contractors went to training they got a fee waiver. If an entity wants a public works contract, they need a certain minimal amount of training on prevailing and public works requirements. The training can be Department approved so contractors could do the training. The bill was envisioned to coincide with the Department's contractor training days, but this is not mandated. The bill gives the Department broad ability to develop the training.

(Opposed) A better way to address the problem of the complexity of the system is to simplify it rather than train contractors in the complexity. The Department has done a good job at making efforts at transparency, having online resources, and getting retainage released sooner. Legislative change could build on these improvements and make the system less complex.

Persons Testifying: (In support) Representative Ormsby, prime sponsor; and Josh Swanson, International Union of Operating Engineers, Local 302.

(Opposed) Jerry VanderWood, Associated General Contractors of Washington.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 17 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Cody, Fitzgibbon, Hansen, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, Pettigrew, Robinson, Sawyer, Senn, Springer, Sullivan and Tharinger.

Minority Report: Do not pass. Signed by 14 members: Representatives Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Condotta, Dent, Haler, Harris, MacEwen, Magendanz, Schmick, Stokesbary, Taylor and Van Werven.

Staff: Lily Sobolik (786-7157).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Labor & Workplace Standards:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill requires a minimum level of training on public works and prevailing wage so people have a general understanding before they bid. The training is designed to be free and would be paid for out of the Public Works Administrative Account, which consists primarily of fees paid by contractors.

(Opposed) None.

Persons Testifying: Josh Swanson, International Union of Operating Engineers.

Persons Signed In To Testify But Not Testifying: None.